**Corporate finance advisory**

Prof. Stefano Monferrà & Prof Luca Di Simone

***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

In the first module, the course aims to analyse the main company performance assessment techniques and the methods for building a business plan, while in the second module, the course aims to address the issues connected to company crises and restructuring processes with particular reference to the financial aspects. Competences and tools typical of financial analysis will be used to this end.

At the end of the course, students will be able to:

* Create and interpret a cash flow statement;
* Create and understand key performance metrics;
* Evaluate a company with DCF models and create a Business Plan;
* Understand the symptoms, causes and characteristics of a company in crisis and the effects on its market value;
* Have an overall view of the legal framework that regulates business crisis situations: art.56 (ex art.67); art.57 (ex art.182-bis); art.84 (concordat);
* Know how to develop and implement a recovery plan that can help solve a company crisis;
* Evaluate the manoeuvres and the most suitable financial instruments to support a recovery plan;
* Critically evaluate the proposals in a business recovery plan, judging their feasibility and potential degree of success.

***COURSE CONTENT***

**Module 1 (Elements of Financial Analysis)**

Prof. Luca Di Simone

* Balance sheet analysis through the main indicators and evaluation of the cash flow statement;
* Analysis of cash flows and assessment of both historical and prospective debt sustainability;
* Logics of construction and evaluation of a business plan;
* Sensitivity analysis.

***READING LIST***

K.R. SUBRAMANYAM, *Financial Statement Analysis*, McGraw-Hill International Edition

R. Brealey-S. Myers-Allen-S. Sandri, *Principi di finanza aziendale,* McGraw-Hill

***TEACHING METHOD***

The course includes theoretical lessons aimed at developing the methodological basis, combined with practical exercises and business cases to translate the principles enunciated into applied terms. At the beginning of the course, the Syllabus containing the topics and reading list references of each lesson will be available to students to allow them to participate in the course with a previous preparation about the topics covered. The course may include testimonials from company representatives such as directors, financial directors, managers, etc.

***ASSESSMENT METHOD AND CRITERIA***

The exam is a written test consisting of 30 close-ended questions; each correct answer gives the candidate 1 point. There is no penalty for each incorrect answer, and any missing answers do not imply a negative score or penalty. The maximum score of the written test is 30/30 and the duration is 60 minutes. The honours may be obtained through an additional oral exam. This additional exam may also be requested with lower marks and includes two questions for a supplementary score of plus or minus 2/30. The exam is aimed at assessing the reasoning skills and analytical rigour of the candidate in relation to the topics covered by the course.

***NOTES AND PREREQUISITES***

Prerequisites for the course are background studies related to accounting, balance sheet analysis, capital budgeting and investment risk. The first lesson of the course includes an overview of the basic concepts and the lecturer is available to inform students about useful support materials to fill any gaps in their basic knowledge.

Information on office hours available on the teacher's personal page at <http://docenti.unicatt.it/>

**Module 2 (Corporate Restructuring Advisory)**

Prof. Stefano Monferrà

Main topics covered during the course:

* Symptoms and causes of corporate crises: economic and financial reasons;
* The reference legislation on the subject of crisis and corporate recovery;
* The restructuring process from a perspective of continuity;
* The process of creating and implementing a business recovery plan;
* The preventive agreement;
* Financial tools and strategies to support a business recovery plan;
* Hybrid financial instruments in recovery plans;
* Analysis and discussion of cases.

***READING LIST***

Exam textbook: La finanza nella crisi reversibile d’impresa – A. Tron – L. Franceschi – EGEA - 2021.

During lectures, the teacher will specify the chapters of the textbook necessary for exam preparation, as well as any teaching notes and coursepacks useful for specific parts of the programme.

***TEACHING METHOD***

The course consists of classroom lectures alternated with group work aimed at analysing and discussing business cases, and testimonials from field experts.

***ASSESSMENT METHOD AND CRITERIA***

The exam consists of a 1-hour written test, marked out of 30 and divided into 3 open-ended questions (10 points maximum score per question). Assessment will be based on clarity and effectiveness of the presentation, answer consistency with the contents of the question, use of correct technical terminology, and completeness of the arguments proposed. Students are given the opportunity to carry out assessments related to the business case solutions proposed by the lecturer. The results, marked out of 30, will be averaged with the mark of the final exam.

***NOTES AND PREREQUISITES***

There are no specific prerequisites for attending the course. However, knowledge of corporate finance and basic notions of law are useful. The material relating to the course and forming an integral part of it, will be made available on Blackboard.

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